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LA Public Service Commission

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September 24, 2024

Ms. Krys Abel
Records and Recording Division
Louisiana Public Service Commission
Galvez Building, 12th Floor
602 North 5th Street
Baton Rouge, LA 70802

VIA HAND DELIVERY

Re: Greater Ouachita Water Company, ex parte In re: Application to Amend
Water Tariff and Sewer Tariff to Adjust Non-Recurring Charges for Tap-
in Fees
File No. 11246-72

Dear Ms. Abel:

Please find enclosed an original and three copies of Greater Ouachita Water Company's ("GOWC's") letter to Mr. Brandon Frey requesting to amend GOWC's Tariffs for Residential, Domestic and Commercial Water and Sewer Services to adjust non-recurring charges relating to GOWC's water and sewer tap-in fees, which is accompanied by an affidavit of Mr. Philip McQueen, GOWC's President, and supporting exhibits ("Application"). Also enclosed, please find our firm's check in the amount of \$50 to cover the cost of the application filing. Please file the Application into a new docket and provide notice of the docket in the LPSC Bulletin to be issued on Friday, September 27, 2024, with a 15-day intervention period. Further, please file and return a date-stamped copy of the enclosed to my office in accordance with normal procedures.

If you have any questions regarding the above, please do not hesitate to contact me. Thank you for your assistance with this matter.

Very truly yours,

CRT

Carrie R. Tournillon

CRT:mac
Enclosure(s)

ROUTE TO *Bill 1504* ROUTE FROM
DEPT. *Bill* DATE *9/24* DEPT. _____
DEPT. _____ DATE _____ DEPT. _____
DEPT. _____ DATE _____ DEPT. _____
DEPT. _____ DATE _____ DEPT. _____
DEPT. _____ DATE _____ DEPT. _____

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September 24, 2024

Mr. Brandon Frey, Executive Secretary
Louisiana Public Service Commission
Galvez Building, 12th Floor
602 North Fifth Street
Baton Rouge, Louisiana 70802

Re: Greater Ouachita Water Company, ex parte In re: Application to
Amend Water and Sewer Tariffs to Adjust Tap-In Fees
File No. 11246.72

Dear Secretary Frey:

Greater Ouachita Water Company ("**GOWC**") hereby requests that the Louisiana Public Service Commission ("**LPSC**" or "**Commission**") Staff ("**LPSC Staff**") approve GOWC's proposed amendments to its Tariff for Residential, Domestic and Commercial Water Services ("**Water Tariff**") and its Tariff for Residential, Domestic and Commercial Sewer Services ("**Sewer Tariff**") as follows: (1) increase the non-recurring charge for water tap-in fees ("**Water Tap Fees**"); (2) restructure the fixed and variable components of the Water Tap Fees; and (3) restructure the non-recurring charge for sewer tap-in fees ("**Sewer Tap Fees**").¹ This request is described more fully herein. GOWC files this request pursuant to Sections 1101(A) and (D) of the Rules and Regulations Governing Water and/or Wastewater Utilities, General Order No. R-34120, dated July 26, 2017 ("**LPSC Water and Wastewater Rules**").

Enclosed in support of GOWC's application are the following exhibits:

- Exhibit 1:** Redlined version of GOWC's revised Water Tariff;
- Exhibit 2:** Redlined version of GOWC's revised Sewer Tariff;
- Exhibits 3:** Third-party quotes indicating labor costs required to perform the water tap;
- Exhibit 4:** Quotes indicating the cost of materials needed to install a meter;
- Exhibit 5:** Quotes indicating the cost of a meter; and
- Exhibit 6:** Copy of the public notice of the increased Water Tap Fees and Sewer Tap Fees to be published in the Official Journals of the State of Louisiana and Parish of Ouachita.

Also enclosed in an affidavit of Mr. Philip McQueen, GOWC's President, attesting to the truth and accuracy of the information included in this application and supporting exhibits, and a \$50 check to cover the filing fee.

¹ GOWC Water Tap Fees and Sewer Tap fees are collectively referred to as "**Tap-in Fees**."

Mr. Brandon Frey, Executive Secretary
September 24, 2024
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GOWC requests this application be published in the LPSC Bulletin to issue on September 27, 2024, and noticed with a 15-day intervention period. All communications and pleadings in this docket should be directed to:

Carrie R. Tournillon
KEAN MILLER LLP
909 Poydras Street, Suite 3600
New Orleans, Louisiana 70112
Telephone: (504) 585-3056

Randy Young
Gordon Polozola
Nathan Bromley
KEAN MILLER LLP
400 Convention Street, Suite 700
Baton Rouge, Louisiana, 70802
Telephone: (225) 382-3493

For the reasons discussed herein, GOWC respectfully requests that after close of the intervention period, the LPSC expeditiously review and approve GOWC's proposed amendments to its Water Tariff and Sewer Tariff to allow GOWC to adjust its Tap-in Fees so that GOWC's Tap-in Fees are sufficient to cover its cost to initiate new service for customers.

Modification of Non-Recurring Water Tap Fees

Pursuant to Section 1101(D) of the LPSC Water and Wastewater Rules, the Water Tap Fee is a non-recurring charge to customers that is assessed when constructing a new building or home. Pursuant to GOWC's Water Tariff, the Water Tap Fees are intended to cover "all labor and materials and any other cost associated with initially establishing service"² However, per the quotes for labor, meters and materials attached hereto in Exhibits 3, 4 and 5, the cost of purchasing and installing a meter has risen such that the Water Tap Fees in the current Water Tariff are insufficient to cover the cost of initially establishing service, and the fixed and variable cost structure of the fee warrant modification.

For example, the current Water Tariff provides that the Water Tap Fee for a ¾" meter is "\$500 + cost of meter."³ The \$500 in GOWC's Water Tariff is intended to cover materials (other than the meter), labor for installing the meter and GOWC administrative costs. Using the attached quotes for the cost of materials needed to install a ¾" meter, the current Water Tap Fee of \$500 does not even cover the cost of

² Exhibit 1. (*Redlined Water Tariff*)

³ Exhibit 1. (*Redlined Water Tariff*).

materials for a ¾" meter, much less materials, labor and administrative fees.⁴ While GOWC performs all water taps in house, GOWC is providing quotes from third-party contractors in Exhibit 3 to this application to support the reasonableness of its proposed increased Water Tap Fee. The lowest quote available provides that the labor cost alone to perform a water tap for a ¾" to 1" meter would be \$1,500 for a close side tap and \$2,700 for a long side tap, which is significantly more than the \$500 allowed under GOWC's Water Tariff to cover materials, labor and administration fees.⁵ Thus, the current Water Tap Fees are insufficient to cover the full costs of performing a water tap, and GOWC respectfully requests to increase such fee.

GOWC is also requesting to implement a new Water Tap Fee structure that shifts the material costs out of the fixed portion of the fee and into the variable portion so that the fixed portion covers only labor and administrative costs. This will allow the Water Tap Fee to more accurately reflect changes in the cost of materials, similar to how the cost of the meter is recovered. In addition, GOWC requests a change of the tariff to clarify what is included in "Cost" for the "3" or greater" category and the "Road bore of 100' or more" category.

GOWC's current provision for Meter Tap fees in its Water Tariff are as follows:

Tap-in-Fee: The fee for new water services shall include all labor and materials and any other cost associated with initially establishing service and shall be as follows:

Meter Size	Close Side	Long Side
¾"	\$500 + cost of meter	\$700 + cost of meter
1"	\$570 + cost of meter	\$750 + cost of meter
1.5"	\$715 + cost of meter	\$920 + cost of meter
2"	\$875 + cost of meter	\$1,100 + cost of meter
3" or greater	Cost + 10%	Cost + 10%
Road bore of 100' or more	Cost + 10%	Cost + 10%

As shown above, the current Water Tap Fees contain a fixed portion (representing labor, materials, and administrative costs) and a variable portion (representing the meter cost). The fixed portion increases based on meter size to account for the increase in costs for materials for a larger meter. GOWC requests the Meter Tap Fee of its Water Tariff be revised to provide as follows:

Tap-in-Fee: The fee for new water services shall include all labor and materials and any other cost associated with initially establishing service ("Cost") and shall be as follows:

⁴ Exhibit 4. (*Quotes for Cost of Materials*).

⁵ A "close side tap" is a water tap where the water main is located on the same side of the road as the customer, whereas a "long side tap" is a water tap where the water main is located on the opposite side of the road as the customer. Thus, a long side tap requires the water line to be bored under the road to reach the customer, increasing the labor costs.

Meter Size	Close Side	Long Side
¾", 1", 1.5" and 2"	\$650 + cost of meter & materials	\$850 + cost of meter & materials
3" or greater	Cost of meter & materials + 10%	Cost of meter & materials + 10%
Road Bore of 100' or more	Cost of meter & materials + 10%	Cost of meter & materials + 10%

GOWC believes these new Water Tap Fees to be reasonable because they ensure that the customer initiating service is responsible for the cost of the meter and materials. Further, the fixed portion of the Water Tap Fees allow GOWC to recoup its labor and administrative costs at a rate closer to (but still significantly less than) the market rate for labor. These Water Tap Fees are also similar to the tap fees charged by other water utility providers in GOWC's service area, namely, L & R Utilities Inc. and Peoples of Bastrop.

Modification of Non-Recurring Sewer Tap Fee

Pursuant to Section 1101(D) of the LPSC Water and Wastewater Rules, the Sewer Tap Fee is a non-recurring charge to customers that is assessed when sewer service is installed at a home or building. The Sewer Tap Fee is intended to allow GOWC to recoup "all labor and material and any other cost associated with initially establishing service" ⁶ The current Sewer Tariff provides that the Sewer Tap Fee is as follows:

Tap-in Fee: The fee for new sewer service shall include all labor and material and any other cost associated with initially establishing service and shall be as follows:

Close Side Tap (down to a depth of 6 feet): \$615

Close Side (down to a depth of more than 6 feet): Cost plus 10%

Where it is necessary to install the new service under road-ways, cost plus 10%

GOWC does not perform Sewer Taps in house. Rather, GOWC solicits bids from contractors to perform the work. The depth of a Sewer Tap can be anywhere between 2 feet and 20 feet. The price of the bid depends on how deep the Sewer Tap must be bored into the ground and other variables. Thus, the exact cost of a Sewer Tap is difficult to determine prior receiving a request for a Sewer Tap from a customer. To ensure that the Sewer Tap Fee covers all of the contractor's costs, GOWC requests that the Sewer Tap Fee be modified as follows:

Tap-in Fee: The fee for new sewer service shall include all labor and material and any other cost associated with initially establishing service ("Cost") and shall be as follows:

Contractor's Costs plus 10%

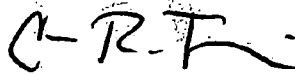
⁶ Exhibit 3. (*Redlined Sewer Tariff*).

Mr. Brandon Frey, Executive Secretary
September 24, 2024
Page 5

GOWC believes this request to be reasonable because it ensures that the Sewer Tap Fee covers all the contractor's costs necessary to initiate service on behalf of a customer and makes the fee structure uniform for all sewer tap requests. GOWC also continues to believe an additional 10% to be reasonable for administrative work associated with the Sewer Tap, such as: receiving a request for a Sewer Tap; soliciting bids from contractors to perform the Sewer Tap; selecting the winning bid; and communicating with the customer and the selected contractor until the work is completed. This Sewer Tap Fee is consistent with GOWC's current fee for taps of depth more than 6 feet and under road-ways.

Thank you for your assistance in this matter. GOWC stands willing and ready to address any additional concerns the Commission may have.

Very truly yours,

A handwritten signature in black ink, appearing to read "C-R-T", with a stylized flourish at the end.

Carrie R. Tournillon

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

GREATER OUACHITA WATER COMPANY,)
EX PARTE.)

DOCKET NO. U-_____

APPLICATION FOR INCREASE IN WATER)
TARIFF AND SEWER TARIFF NON-)
RECURRING CHARGES FOR TAP-IN)
FEES.)

STATE OF LOUISIANA)

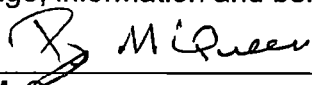
SS

PARISH OF OUACHITA)

Affidavit of Philip McQueen.

Philip McQueen, being first duly sworn, on his oath states:

1. My name is Philip McQueen. I am President of Greater Ouachita Water Company ("GOWC"), a private, non-profit water and wastewater public utility that provides water and sewer service in Ouachita Parish. GOWC's principal place of business is located at 1869 Ave. of America, Ste. B, Monroe, LA 71201.
2. Attached hereto and made a part hereof for all purposes is an application to the Louisiana Public Service Commission and supporting exhibits seeking to amend GOWC's Water Tariff and Sewer Tariff to increase in non-recurring charges for Tap-In Fees.
3. I hereby swear and affirm that GOWC's application and supporting exhibits are true and correct to the best of my knowledge, information and belief.



Philip McQueen

Subscribed and sworn to before me this 24th day of September, 2024.



Notary Public



CAMILLE J. BARR
Notary Public
Notary ID No. 149403
Ouachita Parish, Louisiana